Computerised Audit System to detect abnormal pricing in imports and exports

*291. SHRI DIPANKAR MUKHERJEE:

SHRI JIBON ROY:

Will the Minister of FINANCE be pleased to refer to the answer to Unstarred Question 361 given in the Rajya Sabha on 25th February, 1997 and state:

(a) whether a computerised audit system could detect the abnormal pricing in import and export leading to huge capital flight from the country. If so, action taken in this regard; and

(b) if not, the action plan of Government to arrest the capital flight, as detailed in the study made by Dr. Zdanowicz and others?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) The Government is aware of the study made by Dr. Zdanowicz and two others US based economists, in which they have concluded that there has been huge capital flight from India to the USA in 1994, 1995 and 1996, on account of over invoicing of imports and under invoicing of exports. The general belief supported by actual detections is that imports are under invoiced to evade cutoms duty and exports are over invoiced to garner larger export incentives.

The Government has set up a Directorate of Valuation. One of the functions of this Directorate is to build up a comprehensive computerised data-base of the prices of the internationally traded goods and disseminate the same to the Customs formations. This data would provide useful information for the evaluation and auditing of import and export price declarations. The Directorate would also monitor the valuation practices.

A project for the computerisation of customs assessments, including data base relating to prices, is presently under implementation. The computerised database would assist in the proper verification of import and export price declarations and help detect cases of under or over-valuation of goods as the case may be.

Election Commission's suggestion for not allowing candidates to contest election from two constituencies

*292. SHRI S. S. AHLUWALIA: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether it is a fact that Election Commission has suggested that no condidate should be allowed to contest election from more than one constituency;

(b) if so, what is the reaction of Government in this regard;

(c) whether Government propose to amend the election laws to incorporate the suggestion of the Election Commission; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE (SHRI RAMAKANT D. KHALAP): (a) Yes, Sir.

(b) to (d) The proposal to restrict candidates to contesting elections from more than one constituency was discussed by the Government with leaders of various political parties but there was no consensus amongst the political parties on the proposal. There is, therefore, no proposal at present to amend the election laws to give effect to the proposal.

External Assistance by India Development forum and Asian Development Bank

*293. DR. D. VENKATESHWAR RAO:

DR. Y. LAKSHMI PRASAD:

Will the Minister of FINANCE be pelased to state:

(a) the quantum of external assistance India is likely to get from India Deve-